

PUBLIC UTILITY MODIFICATIONS

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Curtis S. Bramble

House Sponsor: Ryan D. Wilcox

LONG TITLE

General Description:

This bill amends provisions related to net metering of electricity.

Highlighted Provisions:

This bill:

- ▶ modifies definitions;
- ▶ addresses customer charges;
- ▶ addresses a requirement for a customer to provide equipment; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

54-15-102, as last amended by Laws of Utah 2013, Chapter 136

54-15-105, as last amended by Laws of Utah 2008, Chapter 244

54-15-106, as last amended by Laws of Utah 2008, Chapter 244

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **54-15-102** is amended to read:



28 **54-15-102. Definitions.**

29 As used in this chapter:

30 (1) "Annualized billing period" means:

31 (a) a 12-month billing cycle beginning on April 1 of one year and ending on March 31
32 of the following year; or

33 (b) an additional 12-month billing cycle as defined by an electrical corporation's net
34 metering tariff or rate schedule.

35 (2) "Customer-generated electricity" means electricity that:

36 (a) is generated by a customer generation system for a customer participating in a net
37 metering program;

38 (b) exceeds the electricity the customer needs for the customer's own use; and

39 (c) is supplied to the electrical corporation administering the net metering program.

40 (3) "Customer generation system":

41 (a) means an eligible facility that is used to supply energy to or for a specific customer
42 that:

43 (i) has a generating capacity of:

44 (A) not more than 25 kilowatts for a residential facility; or

45 (B) not more than two megawatts for a non-residential facility, unless the governing
46 authority approves a greater generation capacity;

47 (ii) is located on, or adjacent to, the premises of the electrical corporation's customer,
48 subject to the electrical corporation's service requirements;

49 (iii) operates in parallel and is interconnected with the electrical corporation's
50 distribution facilities;

51 (iv) is intended primarily to offset part or all of the customer's requirements for
52 electricity; and

53 (v) is controlled by an inverter [~~or switchgear~~]; and

54 (b) includes an electric generator and its accompanying equipment package.

55 (4) "Eligible facility" means a facility that uses energy derived from one of the
56 following to generate electricity:

57 (a) solar photovoltaic and solar thermal energy;

58 (b) wind energy;

- 59 (c) hydrogen;
- 60 (d) organic waste;
- 61 (e) hydroelectric energy;
- 62 (f) waste gas and waste heat capture or recovery;
- 63 (g) biomass and biomass byproducts, except for the combustion of:
- 64 (i) wood that has been treated with chemical preservatives such as creosote,
- 65 pentachlorophenol, or chromated copper arsenate; or
- 66 (ii) municipal waste in a solid form;
- 67 (h) forest or rangeland woody debris from harvesting or thinning conducted to improve
- 68 forest or rangeland ecological health and to reduce wildfire risk;
- 69 (i) agricultural residues;
- 70 (j) dedicated energy crops;
- 71 (k) landfill gas or biogas produced from organic matter, wastewater, anaerobic
- 72 digesters, or municipal solid waste; or
- 73 (l) geothermal energy.
- 74 (5) "Equipment package" means a group of components connecting an electric
- 75 generator to an electric distribution system, including all interface equipment and the interface
- 76 equipment's controls, switchgear, inverter, and other interface devices.
- 77 (6) "Excess customer-generated electricity" means the amount of customer-generated
- 78 electricity in excess of the customer's consumption from the customer generation system during
- 79 a monthly billing period, as measured at the electrical corporation's meter.
- 80 (7) "Fuel cell" means a device in which the energy of a reaction between a fuel and an
- 81 oxidant is converted directly and continuously into electrical energy.
- 82 (8) "Governing authority" means:
- 83 (a) for a distribution electrical cooperative, its board of directors; and
- 84 (b) for each other electrical corporation, the Public Service Commission.
- 85 (9) "Inverter" means a device that:
- 86 (a) converts direct current power into alternating current power that is compatible with
- 87 power generated by an electrical corporation; and
- 88 (b) has been designed, tested, and ~~UL~~ certified to UL1741 and installed and operated
- 89 in accordance with the latest revision of IEEE1547 [standards], as amended.

90 (10) "Net electricity" means the difference, as measured at the meter owned by the
91 electrical corporation between:

92 (a) the amount of electricity that an electrical corporation supplies to a customer
93 participating in a net metering program; and

94 (b) the amount of customer-generated electricity delivered to the electrical corporation.

95 (11) "Net metering" means measuring the amount of net electricity for the applicable
96 billing period.

97 (12) "Net metering program" means a program administered by an electrical
98 corporation whereby a customer with a customer generation system may:

99 (a) generate electricity primarily for the customer's own use;

100 (b) supply customer-generated electricity to the electrical corporation; and

101 (c) if net metering results in excess customer-generated electricity during a billing
102 period, receive a credit under Section [54-15-104](#).

103 (13) "Switchgear" means the combination of electrical disconnects, fuses, or circuit
104 breakers:

105 (a) used to:

106 (i) isolate electrical equipment; and

107 (ii) de-energize equipment to allow work to be performed or faults downstream to be
108 cleared; and

109 (b) that is:

110 (i) designed, tested, and ~~UL~~ certified to UL1741; and

111 (ii) installed and operated in accordance with the latest revision of IEEE1547
112 [standards], as amended.

113 Section 2. Section **54-15-105** is amended to read:

114 **54-15-105. Additional fee or charge.**

115 (1) An electrical corporation administering a net metering program may ~~not~~ charge a
116 customer participating in the program an additional standby, capacity, interconnection, or other
117 fee or charge ~~unless~~ if the governing authority, after appropriate notice and opportunity for
118 public comment~~[-(a)]~~₂, determines that~~[-(i)]~~ the electrical corporation will incur direct costs
119 from the interconnection or from administering the net metering program that exceed benefits,
120 as determined by the governing authority, resulting from the program~~[-and]~~₂.

121 ~~[(ii) public policy is best served by imposing]~~

122 (2) If the governing authority makes the determination described in Subsection (1), the
123 governing authority shall impose a reasonable fee or charge on the customer participating in the
124 net metering program rather than ~~[by allocating]~~ an allocation of the fee or charge among the
125 electrical corporation's entire customer base~~[, and]~~.

126 ~~[(b) after making its determination under Subsection (1)(a), authorizes the additional~~
127 ~~reasonable fee or charge.]~~

128 ~~[(2) If a cost of a net metering program is allocated among the electrical corporation's~~
129 ~~entire customer base, Subsection (1) may not be construed to prohibit an electrical corporation~~
130 ~~from charging a customer participating in the net metering program for that cost to the same~~
131 ~~extent that the electrical corporation charges a customer not participating in the program for~~
132 ~~that cost.]~~

133 Section 3. Section **54-15-106** is amended to read:

134 **54-15-106. Customer to provide equipment necessary to meet certain**
135 **requirements -- Governing authority may adopt additional reasonable requirements --**
136 **Testing and inspection of interconnection.**

137 (1) Each customer participating in a net metering program shall provide at the
138 customer's expense all equipment necessary to meet applicable utility interconnection
139 requirements and all applicable local and national standards regarding electrical and fire safety,
140 power quality, and interconnection requirements established by the National Electrical Code,
141 the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, and
142 Underwriters Laboratories.

143 (2) After appropriate notice and opportunity for public comment, the governing
144 authority may by rule adopt additional reasonable safety, power quality, and interconnection
145 requirements for customer generation systems that the governing authority considers to be
146 necessary to protect public safety and system reliability.

147 (3) (a) If a customer participating in a net metering program complies with
148 requirements referred to under Subsection (1) and additional requirements established under
149 Subsection (2), an electrical corporation may not require that customer to:

150 (i) perform or pay for additional tests; or

151 (ii) purchase additional liability insurance.

152 (b) An electrical corporation may not be held directly or indirectly liable for permitting
153 or continuing to permit an interconnection of a customer generation system to the electrical
154 corporation's system or for an act or omission of a customer participating in a net metering
155 program for loss, injury, or death to a third party.

156 (4) An electrical corporation may test and inspect an interconnection at times that the
157 electrical corporation considers necessary to ensure the safety of electrical workers and to
158 preserve the integrity of the electric power grid.

159 (5) The electrical function, operation, or capacity of a customer generation system, at
160 the point of connection to the electrical corporation's distribution system, may not compromise
161 the quality of service to the electrical corporation's other customers.

Legislative Review Note
as of 2-18-14 2:57 PM

Office of Legislative Research and General Counsel